

**DATE:** November 20, 2008

**SUBJECT:** 2009-10 Student Fee Scenarios

**ACTION RECOMMENDED:** Information

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**BACKGROUND INFORMATION:** Based on the funding formula and the THEC tuition model, the following information on student fees for 2009-10 is presented.

Utilizing the tuition model, the staff has created scenarios that calculate tuition increases at every sector based on enrollment increases and inflation in relation to projected decreases in state appropriations.

For each sector, the staff executed the tuition model with estimates from no increase in state appropriations to a fifteen percent decrease in state appropriations. For universities, the corresponding tuition increase ranged from ten percent with no state appropriations increase to twenty-four percent tuition increase with a fifteen percent decrease in state appropriations. These scenarios present the tuition level increases required to meet the projected need from enrollment increases and inflation in light of the level of state appropriations.

Using the same range of state appropriations from a zero percent increase to a fifteen percent decrease, the tuition model calculated tuition increases at community colleges ranging from ten percent to twenty-nine percent. The range at technology centers was even greater, starting at twenty-five percent with no state appropriations increase and rising even higher as state appropriations decrease. Technology centers especially are largely dependent on state funds with their low tuition rates.

**Attachment I** presents more detail of the fee levels with tuition increases of five, ten, and fifteen percent.

**ATTACHMENT I**  
**Total Mandatory Tuition and Fees**

|               | <b>2003-04</b> | <b>2007-08</b> | <b>2008-09</b> | <b>1 Yr.<br/>Change</b> | <b>5 Yr.<br/>Change</b> |
|---------------|----------------|----------------|----------------|-------------------------|-------------------------|
| <b>APSU</b>   | \$4,004        | \$5,238        | \$5,526        | 5.5%                    | 38.0%                   |
| <b>ETSU</b>   | \$3,839        | \$4,887        | \$5,201        | 6.4%                    | 35.5%                   |
| <b>MTSU</b>   | \$3,990        | \$5,278        | \$5,700        | 8.0%                    | 42.9%                   |
| <b>TSU</b>    | \$3,788        | \$4,856        | \$5,102        | 5.1%                    | 34.7%                   |
| <b>TTU</b>    | \$3,750        | \$4,980        | \$5,244        | 5.3%                    | 39.8%                   |
| <b>UM</b>     | \$4,234        | \$5,802        | \$6,128        | 5.6%                    | 44.7%                   |
| <b>UTC</b>    | \$3,852        | \$5,062        | \$5,310        | 4.9%                    | 37.9%                   |
| <b>UTK</b>    | \$4,450        | \$5,932        | \$6,250        | 5.4%                    | 40.4%                   |
| <b>UTM</b>    | \$3,830        | \$5,005        | \$5,255        | 5.0%                    | 37.2%                   |
| <b>CC Avg</b> | \$2,065        | \$2,628        | \$2,773        | 5.5%                    | 34.3%                   |
| <b>TTC</b>    | \$1,548        | \$2,168        | \$2,285        | 5.4%                    | 47.6%                   |

|               | <b>2008-09</b>  |                | <b>2009-10 Tuition Scenarios*</b> |         |         |
|---------------|-----------------|----------------|-----------------------------------|---------|---------|
|               | Maintenance Fee | Mandatory Fees | 5%                                | 10%     | 15%     |
| <b>APSU</b>   | \$4,302         | \$1,224        | \$5,741                           | \$5,956 | \$6,171 |
| <b>ETSU</b>   | \$4,302         | \$899          | \$5,416                           | \$5,631 | \$5,846 |
| <b>MTSU</b>   | \$4,302         | \$1,398        | \$5,915                           | \$6,130 | \$6,345 |
| <b>TSU</b>    | \$4,302         | \$800          | \$5,317                           | \$5,532 | \$5,747 |
| <b>TTU</b>    | \$4,302         | \$942          | \$5,459                           | \$5,674 | \$5,889 |
| <b>UM</b>     | \$4,978         | \$1,150        | \$6,377                           | \$6,626 | \$6,875 |
| <b>UTC</b>    | \$4,210         | \$1,100        | \$5,521                           | \$5,731 | \$5,942 |
| <b>UTK</b>    | \$5,428         | \$822          | \$6,521                           | \$6,793 | \$7,064 |
| <b>UTM</b>    | \$4,400         | \$855          | \$5,475                           | \$5,695 | \$5,915 |
| <b>CC Avg</b> | \$2,506         | \$267          | \$2,898                           | \$3,024 | \$3,149 |
| <b>TTC</b>    | \$2,085         | \$200          | \$2,389                           | \$2,494 | \$2,598 |

\*Percent increase applied to maintenance fee, with no increases to mandatory fees.